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Brief of Wetmore & Coe for Respondent

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# Supreme Court of the United States.

OCTOBER TERM, 1900.

No. 29.

EMILIE SAXLEHNER,

*Petitioner,*

*vs.*

EISNER & MENDELSON CO.,

*Respondent.*

## Brief for Respondent on Motion to Recall Mandate and Amend Decree.

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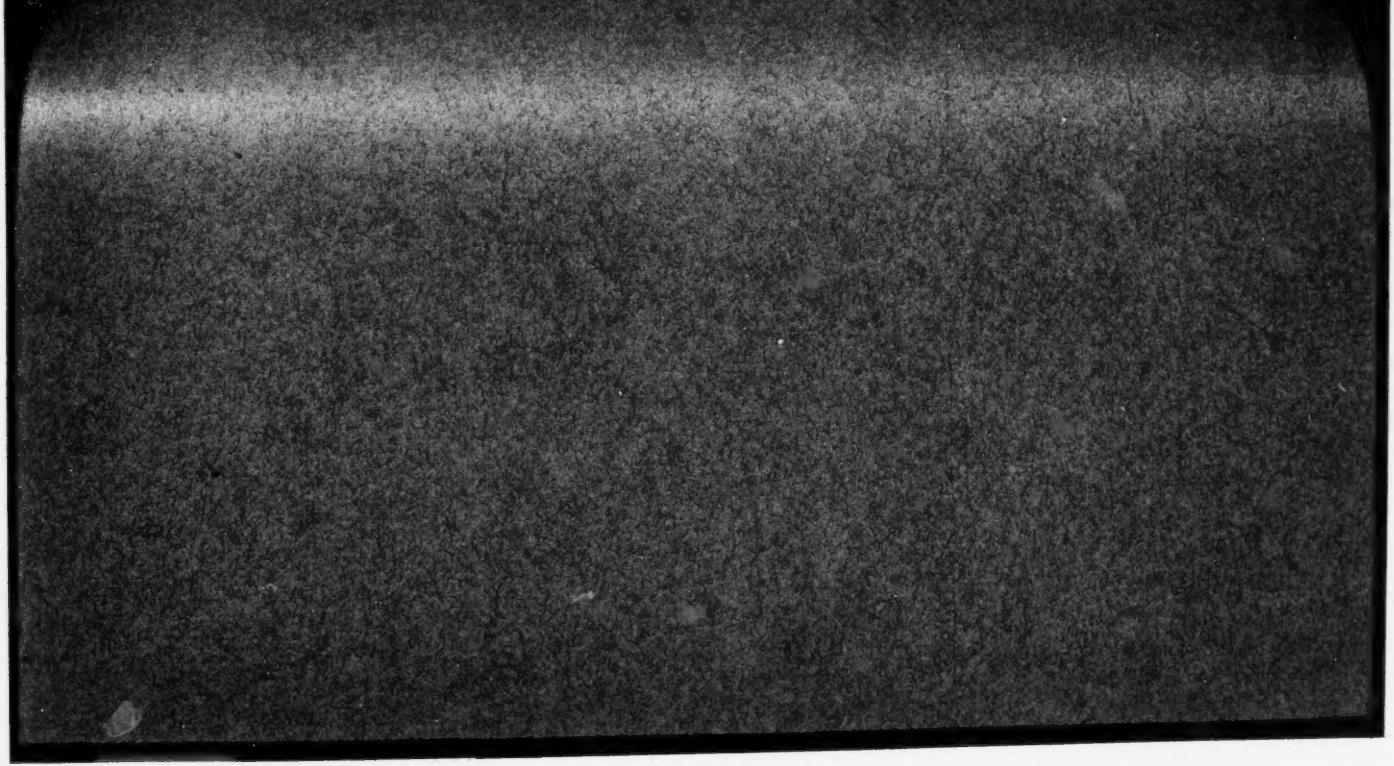

# Supreme Court of the United States.

EMILIE SAXLEHNER,
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vs.

EISNER & MENDELSON COMPANY,
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**BRIEF ON BEHALF OF RESPONDENT ON MOTION TO RECALL MANDATE AND AMEND DECREE.**

The Counsel for petitioner base their motion to amend Decree substantially on two isolated statements quoted in their brief from the opinion of this Court, and endeavor to deduce therefrom the conclusion, that it was the intention of the Court to give the Complainant the exclusive right to the shape of the bottles in which Hunyadi Janos water is contained, and the capsules with which such bottles are provided, without regard to the character of the labels affixed thereto.

In other words, it is asserted that the complainant is entitled to enjoin the defendant from hereafter using that shape of bottle and the capsule, no matter how widely the label affixed to such bottles shall differ in design, color and resemblance from the Hunyadi Janos labels, or how dissimilar such labels shall render the whole general appearance of the bottles, and that this Court so intended by its opinion.

That this was not the intention of this Court is shown by the Mandatory portion of the opinion, which reads as follows:

> "While this label may have been adopted
> "in good faith, we do not think its employ-
> "ment would prevent the casual customer
> "from purchasing this water as that of the
> "plaintiff, and that the injunction should
> "also go against its use and that the plaintiff
> "should recover her damages therefor."
>
> "We are, therefore, of the opinion that
> "the decree of the Circuit Court of Appeals
> "must be reversed, and the case remanded
> "to the Circuit Court for the Southern
> "District of New York, with directions to
> "reinstate its decree of April 29, 1898, except
> "so far as it denies to the plaintiff an injunc-
> "tion against the use of the Seal Brand
> "labels, and damages sustained by such use,
> "and for further proceedings not inconsist-
> "ent with the opinion of this Court."

The Decree of the Circuit Court thus directed to be reinstated is in six paragraphs or sections, (Record, p. 629) in the fifth section of which alone is the Seal Brand label referred to, such section reading as follows:

> "It is not intended by this Decree to
> "restrain the defendant from the use of the
> "name 'Hunyady' or 'Hunyadi' as a
> "prefix to some other name than 'Janos,'
> "or to sell or advertise for sale its water as
> "Hunyadi water, nor from selling it under
> "the said red and blue label bearing the
> "name 'Hunyadi Matyas' in connection
> "with the defendant's 'Seal Brand' label
> "pasted thereon, and the injunction de-
> "manded by complainant against such use
> "of the name 'Hunyadi' or 'Hunyady'
> "alone, or as a prefix to some other name
> "than 'Janos' is hereby denied. No
> "damages for the sale of bottles of bitter
> "water bearing said red and blue Hunyadi
> "Matyas label in connection with the said
> "'Seal Brand' label pasted thereon are to
> "be recovered."

The meaning of this Court is therefore obvious. The Circuit Court is substantially directed to eliminate from its decree the matter in the Fifth section above quoted, relating to the Seal Brand label, to enjoin the use of the red and blue label in connection with the Seal Brand label pasted thereon, and to extend the accounting to cover the damages sustained by its use. With these exceptions, the decree is to be reinstated without further change.

That this was the real intention of the Court is made plain by its action in the Nielsen case. In this case, the Seal Brand label was not involved. The defendant, Nielsen, sold "Hunyadi Lajos" water under red and blue labels in the same shaped bottles provided with a like capsule as the "Hunyadi Matyas" and "Hunyadi Laszlo" bottles sold by the Eisner & Mendelson Company, and this Court directs the Circuit Court to reinstate its decree in the Nielsen case without change, the form of such decree being the same as the form of decree in the Eisner & Mendelson case, with the exception of the Seal Brand label, which was not involved in the Nielsen suit.

These decrees were framed by complainant's counsel and were settled by Judge Shipman in the form they wished, to especially differentiate the first four sections which they desired to have sustained, from the fifth and sixth sections which they desired to have reversed by the Circuit Court of Appeals, and with regard to which sections alone they assigned particular error. This is made plain by the assignment of errors (Record, p. 634), and explicitly and most clearly by the appeal (p. 637), which distinctly states that the complainant appealed from that portion of the decree denying the injunction with regard to the names Hunyadi and Hunyadi Matyas, from the refusal to enjoin the Seal Brand label, the recovery of damages therefor, and the reservation of the question of costs to entry of Final Decree, said matter being embodied in the fifth and sixth sections of the decree, leaving

the first four sections unappealed from by the complainant.

As can be seen by the petitior of the complainant for writ of certiorari, no claim was made to the shape of the capsuled bottle disconnected from its label, nor was it in any way asserted that either the Circuit Court or Court of Appeals had erred in not granting the complainant the shape of her bottles apart from the labels affixed thereto.

In view of these facts, we ask, in no captious or technical spirit, whether complainant's counsel can fairly claim that the defendant and the Courts were given to understand that the complainant asserted an exclusive right to the shape of the Hunyadi Janos capsuled bottle without regard to the appearance of the labels affixed thereto, by the vague and general 11th assignment of error, which is the only matter in the whole appeal record complainant's counsel can point to as indicating such an intention on their part.

## II.

*If there was one particular fact proved in this case, it was that the shape of the bottles in which Hunyadi Janos water was contained and the capsules with which such bottles were provided, had been for more than twenty years the common property of the Hungarian bitter water trade, both in Hungary and this country.* This proved fact was borne in mind by Judge Shipman throughout the Circuit Court opinion, which recognizes no claim to the capsuled bottles apart from the label, and is especially supported by the following portion of the opinion.

> "In the spring of 1896 the Eisner & "Mendelson Company imported a few hun- "dred cases of another kind of Matyas "water which was called No 3, and which "they sold without the Seal brand and with

"3 marked upon the red and blue label. It "would not be an infringement, except for "the use of the three well known longitudinal "red and blue fields of the Saxlehner label, "the field covering the whole bottle, and the "red field in the middle with a medallion "portrait."

These Hunyadi Matyas No. 3 capsuled bottles were of identically the same shape as the other Hunyadi Matyas and the Hunyadi Laszlo bottles enjoined by the Circuit Court decree, and were only enjoined as labelled bottles because of the general resemblance of their labels to the Saxlehner label.

That the Circuit Court was absolutely right in so disregarding any claim on the part of the complainant to the shape of the Saxlehner capsuled bottles, except in connection with the label, is readily shown.

It was proved by undisputed testimony in this suit that, as the Supreme Court tersely says in its opinion in the Nielsen case, "from 1886, when the "Hunyadi Arpad water began to be imported, some "fourteen Hunyadi waters were put upon the "American market without opposition on the part "of Saxlehner or the Apollinaris Company, and "that the name 'Hunyadi' had been widely known "in this country as applicable to Hungarian bitter "waters."

These fourteen Hunyadi waters were all imported in capsuled bottles identical in shape with each other, and with the Hunyadi Janos bottles, and the shape of these capsuled bottles had become as widely known as the name "Hunyadi" as applicable to Hungarian bitter waters, and as indicating that such bottles contained not Hunyadi Janos water exclusively, but Hungarian bitter water generally.

But this was not all. It was proved by evidence introduced both by the complainant and defendant, that such shaped capsuled bottles were also used to put up Hungarian bitter water generally and were not limited to Hunyadi waters.

Two of such Hungarian bitter waters, the Victoria and Rakoczy Georgy waters were known, imported and sold in this country as early as the years 1883 or 1884 (Record, pp. 429, 430 and 431), and were sold thereafter in this market always contained in the same shaped capsuled bottles as the Hunyadi Janos bottles.

Judge Shipman (Record, p. 624) thus refers to these waters:

> "On May 2, 1892, the present Eisner & "Mendelson Company entered into a con- "tract with Ignatz Ungar & Sons for the sole "agency in the United States of their waters "from four Hungarian springs, the Hunyadi "Arpad, Hunyadi Bela, Victoria and "Rakoczy Georgy, and acquired by pur- "chase from Perrine & Co., the Ungar agents "in New York, their rights under the con- "tract which they had held. In April, 1892, "it acquired from a Paris corporation the "exclusive right to the sale in this country "of a Hungarian bitter-spring water called "'Hunyadi Laszlo.' These various waters, "with the exception of the Victoria and the "Georgy, were sold under the name Hunyadi "and with the red and blue label."

These Victoria and Rakoczy Georgy waters were produced on the part of defendant, but the complainant also produced in evidence and proved the sale in this country, of various other Hungarian bitter waters, not Hunyadi, put up for sale, and imported and sold in this country in the same shaped capsuled bottles as the Hunyadi Janos and other Hunyadi bottles. Prominent among these was the "Royal Hungarian Bitter Water," a specimen bottle of which water was offered in evidence by complainant's counsel at page 371 of the Record, and is thus referred to by this Court:

> "During 1889 and 1890 defendant imported "some twenty thousand bottles under the "name of 'Royal Hungarian Bitter Water' "under a red and white label devised by "themselves."

It was further shown on the part of complainant (Record, p. 181), that this same "Royal Hungarian Bitter Water" was sold in this market from 1880 to 1885 under a similar red and white label, bottle and capsule.

Another water referred to and introduced in evidence by complainant, coming from the vicinity of Buda-Pest, was the Aesculap Hungarian bitter water, which was proved to have been sold in this country (Record, p. 448), in the year 1890, and four or five years prior thereto, under the name of Aesculap water, in like shaped capsuled bottles provided with a white and red label. Still another Hungarian bitter water, not Hunyadi, was proved by the complainant to have been first sold in this country as early as the year 1876 continuously to the year 1890 by Paul Scherer (Record, p. 451), under a red and white label. This was the Franz Josef water, which after 1890 (p. 451), was sold by the agent of said Franz Josef water under a white label, and is on sale in this market at the present time. This Franz Josef water was bottled in Hungary and is now sold in this country, as it has always been, in imported bottles of the same shape and with the like appearing capsules as the Hunyadi Janos bottles and the fourteen other Hunyadi waters referred to above.

The testimony in this suit with reference to the mode of bottling Hungarian bitter waters is in exact accordance with the testimony in other suits in the Hunyadi litigation. Thus complainant's counsel produced in evidence, for their own purposes, the affidavit of Henrich Mattoni, in the suit of Apollinaris Company against Andres, in the 1887 litigation, sworn to January 12th, 1887, and set forth at pages 283–286 of Record.

With regard to the shape of the bottles, Mattoni says (p. 285), as follows:

> "And this affidavit (Heinrich Mattoni) "further saith, that the shape of the bottles "used in bottling the said Hunyadi Mathias

"water is an old shape of mineral water
"bottle, having been in use a long series of
"years by different parties and firms, and
"that the shape was not adopted by the said
"firm with any intention of infringing upon
"the said 'Hunyadi Janos' trade or trade-
"mark, but for the sake of its convenient
"and practical shape, and without any refer-
"ence whatever to the bottles used by the
"said Apollinaris Company, Limited, as
"aforesaid."

In the suit of Apollinaris Company against Unger, Joseph Ungar, in an affidavit sworn to June 20th, 1888, and set forth in the record at 577–583, gives at page 580 similar testimony with regard to the bottles as follows:

"There are at least fifteen springs in Buda,
"Hungary, producing bitter waters, and all
"of them use for the export trade bottles of
"same form, size and general appearance,
"and capsules of the same material and ap-
"pearance, only with a different stamp im-
"pressed thereon."

Ten years later, in the spring of 1897, came the suit of Saxlehner against Graef, brought by the complainant against the American agents of the Apollinaris Company, to restrain them from using the word Hunyadi, and the diamond brand label in connection with their Apenta bottles, capsules and labels, such capsuled bottles being of the same shape as the Hunyadi Janos and the other Hunyadi water bottles.

A motion for preliminary injunction was made and denied by the Court, whose decision is reported in 81 Federal Reporter p. 704.

This litigation was referred to throughout the record by the witnesses for both parties, and various matters and details thereof testified to.

Julius Price, a director and former secretary of the Apollinaris Company, makes a statement in an affidavit on part of the said Company, sworn to May 19, 1897, with regard to the shape of the bottles used for bottling Hungarian bitter waters. He says,

among other things, as follows at page 607 of the Record:

"It appears from the affidavit of Kalman "Saxlehner that when his father named his "spring Hunyadi Janos other springs were "then known under the names: Deak "Ferencz, Gr, Szechery, Erzebet and Hildy- "ardi."

"It is a fact, and indeed common knowl- "edge in the trade, that these waters were in "bottles similar in shape to the bottles then "used for Hunyadi Janos. The circumfer- "ence of these bottles at the shoulders was "greater than at the foot thereof. In con- "sequence of the numerous breakages owing "to this shape of bottle, the same was, upon "the representation of the Company, aban- "doned and the present shape adopted. "Such shape was before and after the slight "change above described and is common to "the trade and has been used to my knowl- "edge for 20 years for the numerous bitter "waters which are bottled at Budapest, such "as Franz Josef, Aesculap, Mattoni's Royal "Hungarian, and many others. It is not "true, as stated by the said Kalman Sax- "lehner, that since 1877 the bottles of Hun- "yadi water have been of the same shape."

"Throughout the whole course of our busi- "ness with Saxlehner, extending over 20 "years, he has never asserted or claimed any "exclusive right to the shape of bottle or "capsule employed by him for Hungarian "aperient water."

From the above testimony, which, as has been shown, was introduced by both Complainant and Defendant, it appears that for some twenty years Hungarian bitter waters generally have been bottled and sold both in Hungary and this country in the same shaped capsuled bottles as Saxlehner's Hunyadi Janos water, and that this mode of bottling has been for that period the common property of the trade.

It is also conclusively proved that during this period, such shaped bottle and its capsule had lost

all significance as indicating Hunyadi Janos water alone, but only indicated that such shaped bottle contained Hungarian bitter water of some sort, the particular kind of such bitter water being indicated by the name and label.

Hence it is clear that at the time this suit was commenced, the Complainant was not entitled to any exclusive right to the shape of her bottle or to the general appearance of her capsule.

## III.

Complainant's Counsel in their brief herein, refer to a number of decisions in which the Courts have enjoined the general shape of a bottle or package.

As has been stated by this Court in its opinion, this case is mainly one of fact, and the facts in this Hunyadi litigation are shown to be exceptional and unique. It is, therefore, idle to cite decisions in other cases dependent on their own peculiar facts, in which the shape of a bottle has been enjoined.

It would be very much more pertinent if the Counsel had referred the Court to any decision in this Hunyadi litigation, which gave Complainant the right to the shape of the capsuled bottle without regard to the character of the label affixed thereto. Counsel can refer to no such decision.

No Court or tribunal in any contested suit, action or proceeding, has ever given the Complainant the exclusive right to the shape of her bottle, or enjoined others from using the same shape of capsuled bottles for Hungarian bitter water.

The Complainant reproduces in the Record (pp. 290–293) a circular sent by her to the trade, in which a number of decrees are referred to, in which the name Hunyadi with differing suffixes, and label trademarks, were cancelled by the Hungarian Minister of Commerce.

In many of these cases, the use of both the name and label were enjoined, because the name contained the word "Hunyadi" as a part thereof, and because the label resembled too closely the Hunyadi Janos label. In other cases, where the label or figure trademark alone was cancelled, such label did not display the name Hunyadi in any form, but such label trademark was cancelled because the Minister, on the evidence, considered that the label, while not using the name, Hunyadi, bore too great a resemblance in its appearance to the Hunyadi Janos label. All these different Hungarian bitter waters were sold in capsuled bottles of the same shape as the Hunyadi Janos bottles, and while, as we have seen, the Hungarian authorities have forbidden the use of the name Hunyadi and labels resembling the Hunyadi Janos labels, they have in no case forbidden the seller of Hungarian bitter waters, whose name and label trademarks were so cancelled, from continuing to use their capsuled bottles with other labels and names affixed thereto. The Hungarian authorities also have not interfered with that class of Hungarian bitter waters or with the trademarks registered for their names and labels, of which waters the Franz Josef and Asculap waters are a type, which have always used the same shape of capsuled bottles as the Hunyadi Janos and other Hunyadi waters, but have not used labels resembling the Saxlehner label.

The action of the Hungarian authorities, and the English and United States Courts, in thus recognizing that the shape of the bottles in which the Hunyadi Janos water is contained, is public property in Hungary, and the common property of importers and sellers of Hungarian bitter water in other countries, is well illustrated by the proceedings in the "Apenta" litigation.

In or about the year 1895, and about the time when the Apollinaris Company gave the requisite twelve months' notice to terminate the Apollinaris contract with Saxlehner, said company commenced

to have bottled and sold in its interest in Hungary, a Hungarian bitter water called Apenta water, under a label widely different in design and general appearance from the Saxlehner label. These labels were affixed to bottles identical in shape and provided with like appearing capsules to the bottles and capsules of the Hunyadi Janos water. While the sellers of this Apenta water had no prescriptive right acquired by use to the shape of such capsuled bottle, they adopted such bottles as a matter of course, because such bottles were the common and well recognized mode of bottling used for Hungarian bitter water.

On the Apenta label was printed the name, "Uj Hunyadi" or "New Hunyadi," which was registered as a trademark in Hungary in the interest of the Apollinaris Company.

The Hungarian Minister of Commerce cancelled such verbal trademark, but the Hungarian authorities have not interfered with the Apenta water in other respects, but have allowed the same to be freely sold in Hungary in the capsuled bottles identical in shape with the Hunyadi Janos bottles, for the reason that the Austro-Hungarian Empire does not recognize any right in Saxlehner to the bottles, which are regarded and treated as public property.

In the English Apenta litigation referred to in the opinion of this Court, the action of Court was the same as in Hungary. The Court while enjoining the Apollinaris Company from using the name "Uj Hunyadi" as a designation of its water, refused to enjoin the use of the Apenta label, or the bottle apart from the label.

In the Apenta litigation before the U. S. Circuit Court referred to above (81 F. R. p. 704) the Court denied a motion for preliminary injunction, refusing to enjoin either name, label or capsuled bottle.

Thus it is seen that all the Courts, both in Hungary and in other countries, recognize that the shape of the Hunyadi Janos bottles had for many years been the common property of the trade, and refuse to enjoin their use apart from the labels.

## IV.

The grant to Complainant in this country of an exclusive right to the shape of the bottles in which Hunyadi Janos water is put up, and to the capsule, separate and apart from the design and appearance of the label, would be in the contravention of the Austro-Hungarian treaty of June 1st, 1872, which is referred to in the Opinion of this Court as follows:

> "By the first article of this treaty, 'every "reproduction of trade marks which, in the "countries or territories of the one of the "contracting parties, are affixed to certain "merchandise, * * * is forbidden in the "countries or territories of the other con- "tracting parties'; and by the same article, "'if the trademark has become public "property in the country of its origin, it shall "be equally free to all the territories of the "other of the two contracting parties.'"

As has been shown, the sale of Hungarian bitter water generally in the same shaped capsuled bottles as Saxlehner's Hunyadi Janos water, is not forbidden in Hungary, but the use of such bottles is permitted, for the reason that the Hungarian authorities sanction their use, because for upwards of twenty years such mode of bottling has been public property in Hungary and recognized as the common property of bottlers and dealers in Hungarian bitter water generally.

In conclusion, we desire to say that since the decisions of this Court in this Hunyadi litigation, the Defendant herein has designed and adopted, and is now using for its Hunyadi Matyas water, a label differing so widely in character, design and appearance from the Hunyadi Janos labels, and so changing the appearance of the bottle that the most unwary or incautious purchaser could not be misled into believing the contents of such bottle was Hunyadi Janos water. The label is as totally unlike the Hunyadi Janos label as the Apenta label, specimens of which Apenta labelled bottles were submitted in

evidence. The Matyas water is bottled at the springs in Budapest and is there permitted to be put up for exportation in the same shaped capsuled bottles, which mode of bottling Matyas water has been used for more than twenty years. The bottles are labelled in this country after importation.

It would certainly be a great hardship, in view of the facts presented above, to enjoin the Eisner & Mendelson Company from using this shape of bottle when all other dealers in Hungarian bitter waters in every other country are permitted to use such shaped bottles.

The motion to recall Mandate and amend Decree should be denied.

All of which is respectfully submitted.

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